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## COUNTY OF LOS ANGELES DEPARTMENT OF CONSUMER AFFAIRS

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Members of the Board

Gloria Molina  
Yvonne B. Burke  
Zev Yaroslavsky  
Don Knabe  
Michael D. Antonovich

Pastor Herrera, Jr.  
Director

*"To Enrich Lives Through Effective and Caring Service"*

May 18, 2007

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012-3265

Dear Supervisors:

### **FISCAL YEAR 2007-08 CRITICAL UNMET NEEDS OF THE DEPARTMENT OF CONSUMER AFFAIRS**

The Fiscal Year 2007-08 Official Budget Request of the Department of Consumer Affairs included unmet needs of \$6.1 million and 59.0 positions.

Of this amount, the Department has identified \$1.196 million and 14.0 positions as our highest priorities for consideration by your Board during the Fiscal Year 2007-08 Budget Deliberation. These items align with the County Strategic plan goals of Service Excellence, Workforce Excellence, Organizational Effectiveness and Community Services.

The Department requests your consideration of the following unmet needs:

#### **1. Highest Priority: Funding to Assist Seniors against Financial Crimes**

Amount:..... \$421,000

Positions: ..... 5.0

Funding Source:..... Ongoing net County cost

The Department needs 1.0 Consumer Affairs Supervisor and 4.0 Consumer Affairs Representative III to investigate and resolve financial abuse crimes against seniors.

Financial crimes against seniors are very harmful and widespread. This type of crime typically involves the stealing of a senior's home and life-time savings, and the victim is often unable to recover - financially and emotionally - from the loss.

The Adult Protective Services (APS) Program of the Department of Community and Senior Services has primary responsibility for responding to reports of general elder abuse. They receive over 26,000 reports per year, approximately 6,600 of which involve financial fraud. The Department receives funding from APS to investigate only up to 144 cases per year. This amounts to less than two percent of the cases APS receives that involve financial fraud. The requested funding would enable the Department to investigate approximately 25% of the elder financial fraud cases APS receives annually, as well as increase education, advocacy, and outreach programs for seniors.

- 2. Second Priority: Additional Funding for Identity Theft Unit**  
Amount:..... \$400,000  
Positions: ..... 5.0  
Funding Source:..... Ongoing net County cost

The Department needs funding for 5.0 Consumer Affairs Representative III to assist identity theft victims.

Identity theft is a harmful crime that ruins the victim's good name and credit. Often, victims even face charges for crimes they did not commit. In 2005, it is estimated that nationwide over 10 million people were victims of identity theft, with a cost to businesses and victims of more than \$56 billion. California is the state with the highest number of reported identity theft cases. The County of Los Angeles is one of California's areas with the most victims.

In recognition of this growing problem, the Board of Supervisors, based on Supervisor Yvonne Burke's recommendation, allocated limited seed money in Fiscal Year 2006-07 to fund 4.0 positions for the Department to assist identity theft victims. Consistent with our original report to the Board dated September 15, 2006, the Department needs 5.0 additional positions to help victims in restoring their good names and credit, educate consumers and business on how to reduce the risk of becoming victims, and assist law enforcement and prosecuting agencies in investigating and prosecuting identity theft crimes.

- 3. Third Priority: Funding for Administrative Positions**  
Amount:..... \$245,000  
Positions: ..... 3.0  
Funding Source:..... Ongoing net County cost

The Department needs 1.0 Administrative Assistant III and 1.0 Accountant III to provide additional support in the areas of accounting, budgeting, facilities maintenance, special projects, and for the refinement and implementation of Performance Counts! and other new County initiatives. The Department also needs 1.0 Departmental Personnel Technician for assistance with staff recruitment, the examination process, and selection. This position will also assist with staff classification, development and training, retention, and other personnel and payroll-related responsibilities.

The administrative support structure of the Department has remained the same for the last 25 years due to budget limitations. By contrast, during this time period, the administrative functions and workload of the Department have grown significantly in both volume and complexity. This has been due to new and increased grant funding, increase in budgeted positions, branch office and program service expansion, increased County fiscal and budget monitoring requirements, and significant operational changes as a result of the County Strategic Planning process and Performance Counts! Twenty-five years ago, the Department operated only two programs with a budget of \$903,000. In Fiscal Year 2007-08, the Department will manage ten programs and a budget of \$6.9 million. The number of administrative support positions, however, has remained unchanged during this period of time.

The Department is excited and welcomes the changes that were brought about by additional funding, program enhancements, and the County Strategic Plan. However, these changes have created an exponential increase in administrative workload with no corresponding increase in staff positions. Employees have been experiencing a great deal of difficulty in managing the required additional workload while taking care of existing tasks. As a result, employees often seek outside employment opportunities immediately after they acquire valuable skills, knowledge, and experience.

- 4. Fourth Priority: Funding for Real Estate Fraud and Information Program**  
Amount:..... \$80,000  
Positions: ..... 1.0  
Funding Source:..... Ongoing net County cost

The Department needs 1.0 Consumer Affairs Representative III to handle an 18% increase in homeowner complaints filed with the Department in 2006. A primary reason for this increase is the soaring number of foreclosure notices, which went up 120% last year. This trend is projected to continue upward due to falling home prices and the prevalence of mortgage loans with terms and conditions that are highly detrimental to homeowners.

- 5. Fifth Priority: Funding for Strategic Plan and Performance Counts! Consultant**  
Amount:..... \$50,000  
Positions: ..... 0.0  
Funding Source:..... Ongoing net County cost

The Department has created and implemented a strategic plan and Performance Counts! measures. To further improve the strategic plan and Performance Counts! measures, the Department needs a consultant to design, conduct and test surveys; refine the measures according to the survey findings; and update the strategic plan.

- 6. Sixth Priority: Implementation of a Funding Mechanism to Replace Obsolete Computers**  
Amount:..... \$0  
Positions: ..... 0.0  
Funding Source:..... none required

The Department needs a mechanism by which year-end net County cost savings would be accumulated into a special fund for the replacement of obsolete computer workstations every three years. This unmet need will not require the allocation of additional net County cost to the Department. If this mechanism is made available to, and adopted by, other small departments, it will result in cost savings to the County through consolidated computer purchases.

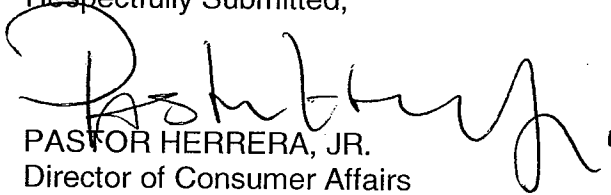
Replacement of obsolete computers every three years is essential to conduct effective, efficient, and secure business operations as we deliver departmental services to the public. In 2006, the Board of Supervisors approved one-time funding from the Information Technology Fund (ITF) to replace the Department's 6-year old computers. It was critical to replace the

computers to eliminate the obsolete operating systems used by the Department which posed a threat to the Los Angeles County data network infrastructure. This one-time funding also allowed the Department to join the Information Technology Shared Services Program and provide employees with newer computers for greater efficiency, reliability and system response time.

**Conclusion**

During the deliberations on the Fiscal Year 2007-08 Budget, your Board is requested to give favorable consideration to these items that will allow the Department to implement its Strategic Plan Objectives that correspond to the County's Strategic Plan Goals.

Respectfully Submitted,



PASTOR HERRERA, JR.  
Director of Consumer Affairs

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c: David E. Janssen, Chief Administrative Officer  
Sachi A. Hamai, Executive Officer